US EXECUTIVE APPROVAL FORM

CUSTOMER NAME: **Constellation Energy Group**

SECTION I - Approval Requests:

1. Delete Limitation of Actions paragraph

2. clarifying that the confidentiality obligations would survive any termination of the agreement, as follows: T"he terms and conditions of this section entitled "Nondisclosure" shall survive the termination of this agreement." -- Not a big issue, since there already is a time limit on the confidentiality obligation, and the time period need not end if the agreement ends. This extension is a standard provision of many business agreements.

The effective discount the customer has agreed to (including OFD financing charges) on tech is 65% (we had approval for up to 70% on tech) and 50% on apps.

HQAPP: (OSSINFO has approved)
1.) Requesting to allow customer to pick up support revenue stream and pay back support on Oracle Tutor in lieu of reinstatement fees. (CSI: 3237701)
2.) Requesting to allow customer to pick up support revenue stream and pay back support on 7 concurrent devices in lieu of reinstatement fees. (CSI: 1911678)
3.) Requesting 4% cap on support for years 4 & 5
4.) Remove customer reference language

1.) Justification for Oracle Tutor
Constellation purchased 550 Named Users of Oracle Tutor in May 2001 for net license of: $81,675 and net support of $17,968.48 (per the ordering document; order number: 6514240). This deal contained only Tutor and they received a 70% discount. Oracle Education did the deal using the justification that we were missing functionality that the customer wanted. The approval was done through GEH since at the time the utilities were part of GEH.

In May 02, the customer did not renew their support on Oracle Tutor because they did not see a use for Oracle Tutor. At that time, the support renewal fee would have been $18,687.22 (4% above the previous year's support)

In April 2003, Constellation's new CIO attended a CVC visit and heard Jeff Henley speak about Oracle's use of Oracle Tutor to help with our compliance with the Sarbanes-Oxley act. So, the CIO asked to renew the licenses for

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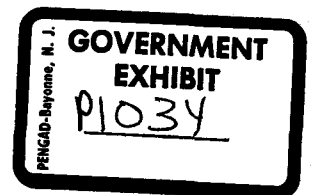
Tutor.

Per our technical support policies to reinstate the support, the customer would have to pay $60,584.95 to reinstate and then the ongoing support would be $59,895.00.

The customer is objecting to the huge delta between what they would have paid had they renewed and the repriced support. Furthermore, the price of support is not much less than they paid for the full license cost originally.   Please approve waiving reinstatement fees for this CSI and allowing customer to pay back support per the revenue stream in May 2002 (i.e., not take the price to list)

2.)   Justification for CSI 1911678
There are three products on this CSI: seven concurrent devices each of Database EE, Adv Networking and Parallel Server.   The total reinstatement fees for this CSI are $4,741.03.   Our system had this CSI listed as a zero dollar renewal because it was to have been merged with OKS#251150 but got missed.   However, because this CSI was assigned to the wrong renewal rep and because it was zero dollars, it was cancelled in our system so the customer did not receive a renewal quote or invoice for this CSI.
This CSI was supported through May 2002 and was inadvertently cancelled by Oracle on Sept-2002.   Please approve waiving reinstatement fees for this CSI and allowing customer to pay back support per the revenue stream in May 2002 (i.e., not take the price to list)

3.)   Justification for support cap for years 4 and 5
Oracle has granted a support cap for years 4 & 5 for the last three deals that we have done with Constellation Energy Group and their subsidiaries. Constellation's standard business practice is to negotiate deals for 5 years at a time.   For example, both Peoplesoft and Microsoft have granted them similar caps on support for 5 years.

Customer has agreed to sign contract tomorrow if we can resolve these issues. The transaction as it stands right now will net Oracle $1,609,695.20 in new license fees and $317,860.03 in new support fees.

4.)   Justification for removing customer reference language
It is Constellation's corporate policy not agree to contractually be a reference because they don't want to have any misunderstandings about their use of particular products or about their satisfaction with the products. As a standard policy the don't contractually agree to be a reference in any of the contracts with any of their vendors. They do intend to be a reference for Oracle however they won't contractually agree to it.

Previously approved:

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HQAPP Requests:
1. Tech support - 3 year flatline
2. Waive named user minimums for development and test environments; include limited use language
3. Discount hold for 2 years on eBusiness Suite and add-ons at a 50% discount pricing listed below
4. Assignment – modify standard assignment language to allow assignment to any of customer's majority owned subs as listed in the customer definition.

TIER 1 Requests:

1. Worst case discounts of 70% for Tech (excluding Collab Suite) and 50% for Ebiz Suite
2. Hold discount for 2 years on all Tech (excluding Collab Suite)

TIER 2/3 Requests:

1. Customer definition to include majority owned subs and affiliates as listed on exhibit **(Tier 3)**
2. Change governing law to Maryland **(legal approval req'd)**
3. Allow assignment to an acquiring entity or to an affiliate of the customer as defined in customer definition

Previously approved requests (include date of approval):
1. 5/18/01: Prior transaction: approved changing governing law to MD, assignment language, non-disclosure, support caps and price holds
2. 5/18/01: prior transaction: approved discount of 64.72% on new licenses

SECTION II – Deal Summary:

Total Deal

Deal Summary	
Programs	E-Business Suite and Tech
License Discount	Apps (50%) (ebiz +25%) & Tech: 70% (ebiz +45%)
Support Discount	Same as license
Support Options/Holds	Hold support increases at 0% for three years
Price Holds	2 years Tech (70%) and EBiz Suite (50%) worst case
List License	2,745,267.90
List Support	549,067.92
Net License	1,258,692.90
Net Support	222,021.42
Net Total Price	1,480,714.60
Price List Used	December 6th E Business Suite

Dec 6th pricing is being used because quotes have been presented to customer prior to March 24th, 2003.

Applications Products:

Deal Summary	
Programs	E-Business Suite
License Discount	50% (ebiz +25%)
Support Discount	50 % (ebiz + 25%)

Support Options/Holds	Hold support increases at 0% for three years
Price Holds	2 years Apps 50%
List License	$1,021,347.90
List Support	169,805.52
Net License	741,516.90 (this is entirely the 10% upgrade fee which is not being discounted)
Net Support	108,242.70
Net Total Price	849,759.60
Price List Used	December 6th E Business Suite

Technology Products (worst case numbers – could increase if DB options added)

Programs	Database EE
License Discount	70% (ebiz +45%)
Support Discount	70 % (ebiz + 45%)
List License	1,723,920.00
List Support	379,262.40
Net License	517,176.00
Net Support	113,778.72
Net Total Price	630,954.72

Customer History - Existing Price Holds	
Existing contractual discount (price hold)	37% ala carte pricing
Date of Price List for price hold	May 2001
When does price hold expire?	5/31/03
Price hold program categories (database, server, erp, crm, hr/payroll, app suite)	Database, Apps ala carte price list
Name of Agreement if applicable	Constellation Power Source

SECTION III - Justification:

Competitive Applications to Peoplesoft

Constellation Energy Group (CEG) is better known to Oracle as Baltimore Gas & Electric or BG&E. Constellation, the holding Company, **has recently gone through broad management changes** replacing 5 members of the senior management that have been Oracle Champions in the past. The Oracle sales team has worked through the year to re-establish executive access at Constellation and recently **hosted them to a CVC visit in California which included sessions by Jeff Henley and Ken Jacobs.** In this reorganization, Accenture consultants have moved to a trusted advisor role. Accenture partners have worked in the past with the senior management team, several of whom came from Enron.

Accenture had provided Constellation with alternative proposals to:

1. Update existing Oracle Applications to a single instance /shared services model

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2. Replace Oracle Apps with apps from Peoplesoft

Constellation has made it clear to the Oracle sales team that they expect preferential treatment in pricing and terms, or they will migrate to Peoplesoft as a standard for applications. Constellation has recently made a significant investment in Peoplesoft HR Payroll applications. In Constellation's recent trip to Redwood Shores, the Management team visited Peoplesoft where they were given a proposal to migrate from Oracle Apps to Peoplesoft FinApps and Procurement.

Constellation has responded positively to the concept of the E Business Suite in our proposals, but needs Oracle to follow through with preferential terms to encourage Constellation to deploy a broad footprint of Oracle Applications including iProcurement and Enterprise Asset Management.

The discount requested (50% for applications) is requested exclusively for the purpose of writing the price hold on Applications

The 50% discount requested will have NO EFFECT ON THE APPLICATIONS LICENSE REVENUE OF THIS TRANSACTION. Constellation's prior apps purchases provide them a credit that is almost dollar for dollar equivalent on the Net-to-Net migration calculation. The license fees being charged ($750k) are exclusively the 10% E Business Suite Migration Uplift.

This remains a competitive decision against Peoplesoft.

Technology Competitive Landscape

In addition to Oracle Applications, CEG uses a number of third party and custom built applications that are based on the Oracle database. However, due to cost issues, CEG has recently decided to begin moving some applications off Oracle and onto SQL Server to save on costs. Specifically, CEG just decided to move one of their legal applications off Oracle and onto SQL Server to save money.

Additionally, they currently have a data warehouse that is built with Business Objects and uses Microsoft's OLAP technology as the back-end. The production data that feeds this data warehouse sits in an Oracle database. CEG uses Microsoft to save money on the license and support costs of the application.

Requesting 70% discount, 70% price holds and three year flatlined support to keep Microsoft from eroding Oracle's presence as the database standard. Additionally, CEG also evaluates which database to select every time they pick a new third party application; the price hold and flatlined support will allow CEG to make an Oracle database decision rather than a Microsoft (or other DB) decision when selecting a packaged vendor (e.g., for their Peoplesoft application they are evaluating the cost of databases to go under this application).

Recommendation: *(leave blank for HQAPP to fill out)*

Submitted By: *(fill in rep name and AVP name here)*
    JP Dunn (Apps); *AVP: John Boucher; RM: Jeff Breslin*
    Kelly Valenta (Tech); *AVP: Mike Cochran; RM: Blair Tolbard*

R: *(leave blank for HQAPP to fill out)*
C:
L:
A:

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BP:

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PLEASE NOTE THAT HQAPP WILL NOT REVIEW ANYTHING BELOW AND NOTHING BELOW WAS CONSIDERED FOR THEIR APPROVAL. ONLY DETAILS IN THE REQUEST SECTION (SECTION I) ABOVE WERE CONSIDERED IN THE APPROVAL GRANTED.

SECTION V – Ordering Document Details

__Instructions__ - Fill in all sections completely.

__APPROVAL REQUIREMENTS__ - Refer to the Approval Matrix at http://esource.oraclecorp.com
__PRICING REQUIREMENTS__ – Refer to Price List and Price List Supplement for minimums and prerequisites.
__PRICING SPREADSHEET__ – Include a pricing spreadsheet showing all products, quantities, license types, pricing, and discounts. Indicate if discount for drafting contract differs from approved discount.
__MIGRATIONS__ - If your deal contains a migration, you must submit a Migration Worksheet to the ELM (eBusiness License Migrations) team. Refer to http://nafo.us.oracle.com under the Contract Management tab and e-Business License Migrations header to download the spreadsheet and for additional information.

__Note: All business approvals & quotes are valid through the quarter they were approved, unless a formal RFP or Tender requires a longer validity period.__

General Information	
Contract requested by (insert date): After all approvals are obtained - Allow 24 hours for standard contracts and 48 hours for non-standard contracts.	5/9/03
Opportunity I.D. (OSO Number):	942800 (Tech); 876193 (Apps)
Is this a ship order?	Yes X No
Deal Structure (indicate Direct, Pass-Through, Sublicense, or Trial License):	Direct
Is this deal the result of a compliance issue that LMS has been involved in?	___Yes __x_No
Does deal contain new licenses with an *approved* non-supported license type (i.e. metric is not nor ever has been on Oracle's price list):	___Yes (specify non-supported license type and eBusiness license type used to determine conversion) __x__No
Quote Valid Through (insert date):	5/30/03
MIGRATIONS OR UPDATES:	x Yes No
PREMIUM SERVICES:	Yes x No
INCIDENT PACKS:	Yes x No
INTERNATIONAL: Requires an International Notification Form to be forwarded to your manager, contract specialist, and NASINFO or OGEHINFO.	___Yes __x__No
Payment Terms:	__x_Net 30 __x__Other (Specify)___may use OFD; otherwise, net 30
Referenced Agreement:	__x__New OLSA Other (Specify)

Customer and Administrative Information – all fields must be filled in	
Customer's EXACT Legal Name:	**Constellation Energy Group**
Business Address:	750 E Pratt Street
City / State / Zip:	Baltimore, MD 21202
Customer Contract Admin:	Polly Douglass
Phone #:	410-783-3356
Fax #:	410-783-3359
E-mail ID:	polly@constellation.com
Billing Contact:	same
(Partner/VAD if Indirect):	
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
E-mail ID:	
Tax Status :	Exempt ___ (Need certificate for ship to state if not on Oracle's Tax Exemption Log)
	Non-Exempt _x_
Shipping Contact:	**Regina Sidlowski**
Address:	111 Market Place
City / State / Zip:	Baltimore, MD 21202
Phone #:	410-230-1130
Fax #:	410-230-1119
E-mail ID:	**Regina.sidlowski@constellation.com**
Technical Support Contact:	Same as shipping
Address:	
City / State / Zip:	
Phone #:	
Fax #:	
Email ID:	

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PROCESSOR/NAMED USER PROGRAMS/COMPUTER PROGRAMS (REQUIRED INFORMATION)

Make and Operating System required for each program:
Make: Sun and HP
OS: Solaris and HP/UX
PROGRAMS:

Applications Programs:
Migration to 2455 Professional Users and 1100 Employee users (per migration)

Technology Programs (products listed below are in addition to the migrated licenses):

DB EE – 1172 NU Plus
Tuning Pack – 3672 NU Plus
Diag Pack --- 1172 NU Plus
IAS – 18 CPUs

NOTE: the tech products above are higher than approval request since approval request was worst case: please draft contract including all products above

Please draft the initial contract at 40% for Apps and 50% for Tech.

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Applications	
Will applications be modified:	x Yes No
Will users be accessing modified Apps from the web:	Yes x No
Have all prerequisites been included:	_x_ Yes No
Will users use Fast Forward RPM:	Yes x No
Will applications be hosted:	Yes x No
Indicate database that Apps will run on:	Oracle
Indicate CSI for existing prerequisite database and tools:	Database and tools being migrated and added to this deal

Options not requiring HQAPP, Tier 1, or Tier 2 Approval	
(1)	No ship language for Tech products (and apps products if possible)
(2)	In a multi-database environment if customer licenses Oracle Database Enterprise Edition we will allow them to use Oracle Database Standard Edition also, so long as the total number of licensed users is not exceeded.
(3)	
(4)	

Internal Administrative Information	
Applications Sales Manager	JP Dunn
Technology Sales Manager	Kelly Valenta
iSD Rep	Evan Bobotas (Tech) Luke Damian (Apps)
Education Sales Rep	Ana Besu
Support Renewals Rep	Shauna Baribeau; John Fitzpatrick; Jeremy DeGani (multiple CSIs

	handled by different reps)
Premium Support Rep	
Migrations Manager	Christina Schuler
Is there a teaming agreement?	__x__Yes (if yes, list all appropriate reps) _____No Teaming agreement on **Applications** ONLY: J.P. Dunn (ASM) 75% Apps Casey Quillen (ASM) 25% Apps Evan Bobotas (Tech OD) gets 100% tech Scott Windfelder (Apps OD) 75% Apps Luke Damian (Apps OD) 25% Apps
Requester:	Name: __Kelly Valenta (Tech)_____ Business Telephone: ___703-364-0346_____ Cell Phone: ___301-943-1978_____ Name: __JP Dunn (Apps)_____ Business Telephone: ___781-744-0351_____ Cell Phone: ____617-510-6711_____